

Mid-
COMM

Senate Energy & Telecomm.Comm.

Exhibit No. 3Date 4.9.13Bill No. HB 575

April 9, 2013

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800-452-2288 • www.midrivers.comSenate Energy & Telecommunications Committee
Montana Senate
PO Box 200500
Helena, MT 59620-0500

Chairman Olson and Members of the Committee:

Mid-Rivers Communications is a cooperative telecommunications provider based in Circle, Montana. We operate a cellular network covering about 10,000 square miles of remote rural area in Eastern Montana. We appreciate the opportunity to provide comments to you today in support of House Bill 575, which we see as a balanced approach to fixing unintended consequences of previous legislation. Please accept our apologies for not being there in person due to the April snow storm.

Mid-Rivers began providing wireless services specifically for the purpose of filling in cellular coverage in areas that were not being served by the national providers. The map included with your handout illustrates how we have filled in coverage in rural areas that were **previously unserved with wireless coverage and therefore 9-1-1 access**. It also shows that gaps in coverage remain, which most likely is not news to any of us and is not unique to the Eastern half of Montana. As a telecommunications provider, one of the primary concerns we hear from our members is the public safety concern associated with large dead spots in cellular coverage.

Mid-Rivers is struggling to cover these remote areas in Eastern and Central Montana, so we have not been opposed to providing our subscriber numbers and expense documentation in return for cost recovery on the expenditures we make to provide public safety services to our area. Carriers like Mid-Rivers have a need for this cost recovery because we are trying to serve areas like Sand Springs in Garfield County, Sheep Mountain in Prairie County, or similar areas that no other provider is interested in serving. **The costs of providing wireless service and accurate E-911 capabilities in rural Montana are significant and on-going.** We are very fortunate to have a statewide mechanism to assist with some of these expenses, and we have worked very closely with the State's 9-1-1 office to access the wireless provider reimbursements available to us within the existing statute.

However, the current law is extremely restrictive on the provider side, both in terms of allowable costs and in how the funds are allocated by jurisdiction. As a provider serving nine rural PSAP jurisdictions, Mid-Rivers has access only to the funds that have been allocated to our nine jurisdictions based on a funding formula tied to population. Due to the relatively small population of all of the counties we serve, the balances in these nine accounts accumulate very slowly. **While millions of provider dollars sit unused in other counties, Mid-Rivers currently has an outstanding balance due to us of over \$260,000 in approved 9-1-1 expenditures.**

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Under the current statute it will take nearly three years for that balance to be paid off, not including any future large capital expenditures that we know are forthcoming on current projects or expenses that will be incurred to implement Next Generation 9-1-1 mandates. The inability to access these dollars even though our funds have been spent and our reimbursements approved keeps us from being able to reinvest those dollars in improving basic access to a wireless signal needed to make a 9-1-1 call. House Bill 575 would allocate some of the "stranded" provider dollars toward paying off our existing balance sooner, and would also allow fund balances to build in our small counties in anticipation of these future expenditures.

Counties and cities in our area agree with the need to make providers like Mid-Rivers whole before transferring out these PROVIDER dollars, because they understand that a successful 9-1-1 call requires adequate funding for both the providers and the PSAPs. Saving lives in Montana depends on a strong partnership between the PSAPs and the providers. The Montana Legislature recognized that there was a provider need for 9-1-1 funding when they passed the original legislation establishing this PROVIDER fund. They recognized that Montana is a vast state with unique needs and they valued the provider contribution to our state's 9-1-1 efforts. They understood that before you can reach an emergency responder, you need to be able to make a call and have that call go through to a PSAP.

It is easy to wonder why any of us should care about these complicated funding issues, or why a constituent in Billings or Great Falls might care whether or not there is cell phone service and 9-1-1 access in rural Carter County. The fact is, however, that when that constituent has a family member who decides to travel through Carter County and that family member needs to make a 9-1-1 call, at that point in time it WILL matter.

The public's expectation is that 9-1-1 coverage will be there when they need it, but unfortunately we cannot meet that expectation in large areas of our state today. Without a doubt, lives have already been lost due to the inability to make a 9-1-1 call from a remote area in Montana where there is no coverage available. This is becoming a greater concern as more and more people rely on cell phones to make a 9-1-1 call in an emergency. Wireless customers from across the state, regardless of who their wireless provider is, depend on providers like Mid-Rivers for their coverage in rural areas, and we depend on cost recovery support to be able to provide that coverage and E-911 services. **We think that our State can do more with the dollars that Montana telephone subscribers pay for the right to have basic emergency phone service when they need it, and we respectfully request that this Committee consider studying this issue further during the Interim.**

Montana's small wireless providers and PSAPs have worked very hard to develop consensus on this legislation, and after several amendments in the House we believe it is a good bill that should be supported without further changes. **Mid-Rivers asks that you please pass House Bill 575 as currently written in the Senate.** Thank you for your consideration.



BILL WADE
General Manager



Cellular Home Service Area

